

## **National Surface Transportation Infrastructure Financing Commission Releases Interim Report**

Washington, D.C. (February 1, 2008) – The nation’s surface transportation system is in a “physical and financial crisis” because current revenue is insufficient to maintain and improve this country’s highways, public transportation systems and intermodal connectors, according to an interim report released today by the National Surface Transportation Infrastructure Financing Commission (the “Financing Commission”).

The Financing Commission makes several preliminary observations:

- Transportation system demands are outpacing required investment;
- Maintenance costs are competing with necessary expansion of the system;
- The fuel tax, which has been the key federal funding source for our system, is no longer sufficient at current rates;
- More direct user charges should be explored; and
- We need not only more investment in our system, but more intelligent investment complemented by better operation of the system.

The report says the country’s transportation system requires a significant infusion of money to build and better maintain the highways, transit systems and intermodal facilities needed to keep up with economic and population growth. The Financing Commission’s task is to recommend to the federal government how it should fund its transportation programs in the coming decades. This interim report lays out how the Financing Commission perceives the current problems with transportation funding, and how it will analyze options and reach recommendations.

The Financing Commission’s report finds that relying principally on the federal fuel tax “may not be a sustainable strategy in the long run” because as fuel economy continues to rise, “the fuel taxes that are the backbone of the federal transportation revenues will continue to shrink relative to use and needs of the system.”

The Financing Commission’s report also states that inadequate fuel tax revenues and the high maintenance costs of our aging transportation system are forcing state and local governments to forgo or postpone needed capacity enhancements. The report states that “if we are to remain competitive in a global economy, we must thoroughly re-assess the current approach to funding surface transportation infrastructure.” As a result, the Financing Commission will examine a broad array of existing and potential funding mechanisms, including direct user charges and other financing options that may augment current revenues and encourage more efficient use of system capacity.

The Financing Commission strongly encourages feedback and invites comment on this interim report and its proposed metrics for evaluating various funding and financing options in order to help develop constructive and specific recommendations that will support the nation’s future transportation needs. The Financing Commission is expected to release its final report with recommendations near the end of 2008.

## Full Interim Report Online

The National Surface Transportation Infrastructure Financing Commission's interim report, *The Path Forward: Funding and Financing Our Surface Transportation System*, is available online at <http://financecommission.dot.gov>.

## About the Financing Commission

Section 11142 of SAFETEA-LU established the National Surface Transportation Infrastructure Financing Commission and charged it with analyzing future highway and transit needs and the finances of the Highway Trust Fund and making recommendations regarding alternative approaches to financing surface transportation infrastructure.

In addition to the Financing Commission, Congress established in section 1909 of SAFETEA-LU the National Surface Transportation Policy and Revenue Study Commission (the "Policy Commission"), which just released its final report on January 15, 2008. The Policy Commission was charged with studying the current condition and future needs of the surface transportation system and offering recommendations for a new vision, goals, policies and programs to guide the future federal role. Over the next year the Financing Commission will craft specific recommendations for funding and financing the future federal role based on the work of the Policy Commission as well as that of other industry stakeholders and transportation experts.

As provided by statute, the Financing Commission has 15 members with broad experience in finance, government, industry, law and public policy. It is subject to the Federal Advisory Committee Act and all of its meetings are open to the public.

## Contacts

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